



Health Services
LOS ANGELES COUNTY

March 6, 2007

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AGREEMENT WITH FILE KEEPERS, LLC
FOR OFF-SITE STORAGE AND RETRIEVAL SERVICES
FOR VARIOUS FACILITIES IN THE DEPARTMENTS
OF HEALTH SERVICES AND PUBLIC HEALTH
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services, or his designee, to execute an Agreement, substantially similar to Exhibit I, with File Keepers, LLC (File Keepers), effective upon date of Board approval through February 29, 2012, for the provision of off-site storage and retrieval services for various Department of Health Services' (DHS) and Department of Public Health (DPH) facilities, at a total cost of \$1,409,840 for DHS for the period effective date of Board approval through February 29, 2008 and \$809,840 for each 12-month period thereafter through February 29, 2012, with a five-year total cost of \$4,649,200; and \$139,920 annually and a five-year total cost of \$699,600 for DPH.
2. Delegate authority to the Director of Health Services, or his designee, to add or delete other DHS and DPH sites/facilities, and to increase the total maximum obligation for this Agreement by no more than 25% above the annual maximum obligation during the term of the Agreement. For DHS, the potential annual increase is \$352,460 for the period effective date of Board approval through February 29, 2008, \$202,460 for each 12-month period thereafter through February 29, 2012, and \$34,980 for DPH. The combined total maximum obligation, including amounts from Recommendation No. 1 above, are \$5,811,500 for DHS and \$874,500 for DPH.

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

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Los Angeles, CA 90012

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through leadership,
service and education.*



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to offer and sign an Agreement with File Keepers, effective upon Board approval through February 29, 2012, to ensure that off-site storage, retrieval and related services for medical records, X-ray film,

encounter forms, departmental files and Bio-Terrorism Preparedness Program related supplies for DHS and DPH are safely maintained, stored, and retrieved when requested, in a timely manner to relieve the overcrowding of medical records and departmental storage areas.

FISCAL IMPACT/FINANCING:

DHS:

The maximum obligation to DHS for the period effective date of Board approval through February 29, 2008 is \$1,762,300, of which \$352,460 is for potential increases under delegated authority. The total estimated annual cost for off-site storage and retrieval services by facility/program are: 1) Harbor/UCLA Medical Center (Harbor), \$166,840; 2) LAC+USC Healthcare Network (LAC+USC), \$55,000; 3) Olive View/UCLA Medical Center (Olive View), \$800,000 for the period effective date of Board approval through February 29, 2008 (and \$200,000 for each 12-month period thereafter through February 29, 2012); 4) Martin Luther King, Jr.-Harbor Hospital, \$283,000; 5) Health Services Administration (HSA), \$95,000; and 6) Office of Managed Care (OMC), \$10,000.

The combined total maximum obligation including increases under delegated authority is \$5,811,500. Funding for this Agreement is included in the Fiscal Year 2006-2007 Final Budget and will be requested in future fiscal years.

DPH:

The annual maximum obligation to DPH for the period effective date of Board approval through February 29, 2008 is \$174,900, of which \$34,980 is for potential increases under delegated authority. The total estimated annual cost for off-site storage and retrieval services are \$139,920, of which \$120,000 is funded with Centers for Disease Control and Prevention Grants Funds, and \$19,920 is funded within existing resources.

The combined total maximum obligation including increases under delegated authority is \$874,500. Funding for this Agreement is included in the FY 2006-07 Final Budget and will be requested in future years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 7, 1999, the Board approved the existing agreement with File Keepers which was selected as a result of an Invitation For Bids (IFB) process.

On October 15, 2002, the Board approved Amendment No. 1 which allowed other DHS facilities to be added that required off-site storage and retrieval services. Subsequently, the Board approved Amendment Nos. 2 through 6 to add the most current Health Insurance Portability and Accountability Act (HIPAA) language to the Agreement and extend the term through July 31, 2006.

On July 18, 2006, the Board approved Amendment No. 7 to extend the term of the Agreement on a month-to-month basis, for up to nine months, effective August 1, 2006 through April 30, 2007, for the provision of these services at various DHS and DPH sites to provide DHS with additional time to complete an IFB process to award a new agreement.

The proper maintenance and storage of patient medical records, X-ray film and encounter forms are required by California Code of Regulations, Title 22, Section 51476. Off-site storage and retrieval services include, but are not limited to, receiving, packaging, transporting, inventorying, filing, storing, retrieving, and destroying at County's request, such medical records and X-ray film. DPH also needs storage of various departmental files and Bio-Terrorism related supplies, i.e., mylar blankets and family emergency kits.

The recommended Agreement will become effective upon Board approval and will continue in full force and effect for five years.

The Agreement may be terminated with or without cause by the County and/or vendor by providing 30-day advance written notice. The administrative staff at the various DHS and DPH sites will continue to monitor the contractor's performance to assure compliance with the terms and conditions of the Agreement.

Although DPH's Public Health Laboratory and other DPH facilities will receive services under this Agreement, DHS is retaining primary responsibility for this Agreement. DHS and DPH will mutually agree whether any future amendments or other Board actions will be done jointly or separately.

Attachment A provides additional information.

County Counsel has approved the Agreement (Exhibit I) as to use and form.

CONTRACTING PROCESS:

On September 18, 2006, the Department released an IFB for the provision of off-site storage and retrieval services. The Department advertised the IFB on the Los Angeles County online website, DHS website, and in local newspapers. By the October 16, 2006 submission deadline, DHS received bids from File Keepers and Iron Mountain. File Keepers submitted the lowest bid.

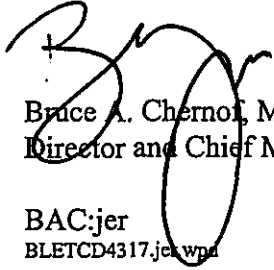
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The recommended Agreement will ensure that patient medical records, X-ray film, encounter forms, departmental files, and BT-related supplies will be safely maintained and stored, and the overcrowding of medical records, storage areas and storage spaces at various DHS and DPH facilities will be alleviated.

The Honorable Board of Supervisors
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bruce A. Chernof', is written over the typed name and title.

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:jer
BLETCD4317.jer.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT1. TYPE OF SERVICES:

Off-site storage and retrieval services for medical records, X-ray film, encounter forms, departmental files, and Bio-Terrorism related supplies.

2. AGENCY ADDRESS AND CONTACT PERSONS:

File Keepers, LLC
6277 East Slauson
Los Angeles, CA 90040-3011
Attention: Liz Rogers, Contract Liaison
Telephone: (323) 728-3133 Ext. 320
Fax: (323) 728-1349
E-mail: erogers@filekeepers.com

Michael Huff, Contract Manager
Telephone: (323) 889-6536
Fax: (323) 728-1349
E-mail: mhuff@filekeepers.com

3. TERM:

The Agreement is effective upon Board approval through February 29, 2012.

4. FINANCIAL INFORMATION:DHS:

The maximum obligation to DHS for the period effective date of Board approval through February 29, 2008 is \$1,762,300, of which \$352,460 is for potential increases under delegated authority. The total estimated annual cost for off-site storage and retrieval services by facility/program are: 1) Harbor/UCLA Medical Center (Harbor), \$166,840; 2) LAC+USC Healthcare Network (LAC+USC), \$55,000; 3) Olive View/ UCLA Medical Center (Olive View), \$800,000 for the period effective date of Board approval through February 29, 2008 and \$200,000 for each 12-month period thereafter through February 29, 2012; 4) Martin Luther King, Jr.-Harbor, \$283,000; 5) Health Services Administration (HSA), \$95,000; and 6) Office of Managed Care (OMC), \$10,000. The combined total maximum obligation including increases under delegated authority is \$5,811,500. Funding for this Agreement is included in the Fiscal Year 2006-2007 Final Budget and will be requested in future fiscal years.

DPH:

The annual maximum obligation to DPH for the period effective date of Board approval through February 29, 2008 is \$174,900, of which \$34,980 is for potential increases under delegated authority. The total estimated annual cost for off-site storage and retrieval services are \$139,920, of which \$120,000 is funded with Centers for Disease Control and Prevention Grants Funds, and \$19,920 is funded within existing resources.

The combined total maximum obligation including increases under delegated authority is \$874,500. Funding for this Agreement is included in the FY 2006-07 Final Budget and will be requested in future years.

5. ACCOUNTABILITY FOR MONITORING:

The administrators and medical directors at the Departments of Health Services and Public Health facilities where services are provided will continue to monitor the contractor's performance.

6. APPROVALS:

Health Services Administration:	Sharon Grigsby, Chief Network Officer
Department of Public Health:	John F. Schunhoff, Acting Chief Deputy
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form):	Robert E. Ragland, Senior Deputy County Counsel

FACT SHEET

Re: APPROVAL OF AN AGREEMENT WITH FILE KEEPERS, LLC FOR OFF-SITE STORAGE AND RETRIEVAL SERVICES FOR VARIOUS FACILITIES IN THE DEPARTMENTS OF HEALTH SERVICES AND PUBLIC HEALTH

All Districts.

DHS CONTACT PERSONS:

Harbor/UCLA Medical Center
Miguel Ortiz-Marroquin, Interim Chief Executive Officer
Telephone: (310) 222-2101
mmarroquin@ladhs.org

Miguel de los Reyes, Dir. Contract Management
Telephone: (310) 222-1678
mireyes@ladhs.org

LAC+USC Healthcare Network
Pete Delgado, Chief Executive Officer
Telephone: (323) 226-2800
pdelgado@ladhs.org

Mark Wycislak, Expenditure Management
Telephone: (323) 226-6472
mwycislak@ladhs.org

Health Services Administration
Eva Guillen, Expenditure Manager
Telephone: (213) 240-7726
eguillen@ladhs.org

DPH CONTACT PERSONS:

Department of Public Health
John F. Schunhoff, Acting Chief Deputy
Telephone: (213) 240-8156
jschunhoff@ladhs.org

Barry Hunt, Public Health Centers Area Administrator
Department of Public Health
Telephone: (213) 240-8346
bhunt@ladhs.org

Olive View Medical Center
Melinda Anderson, Chief Executive Officer
Telephone: (818) 364-3002
manderson@ladhs.org

Dexter Moon, Program Manager
Telephone: (818) 364-3418
dmoon@ladhs.org

King/Drew Medical Center
Antionette Smith Epps, Chief Executive Officer
Telephone: (310) 668-5201
Asmithepps@ladhs.org

Tony Gray, Chief Financial Officer
Telephone: (310) 668-5201
tgray@ladhs.org

Bio-Terrorism Preparedness Program
Jonathan Freedman, Director. & Medical Director
Telephone: (213) 998-7143
jfreedman@ladhs.org

Stephano Park, Contract Liaison
Telephone: (213) 240-7705
spark@ladhs.org

SUBJECT:

The Board is being requested to approve and instruct the Director of Health Services, or his authorized designee, to offer and sign an Agreement with File Keepers, LLC, effective upon Board approval through February 29, 2012, for the provision of off-site storage and related services for medical records, X-ray film, encounter forms, departmental files and bio-terrorism supplies to ensure that these are safely maintained, stored, and retrieved when requested, in a timely manner, to relieve the overcrowding of medical records and departmental storage areas.

FACT SHEET (Cont'd)

REQUESTED ACTION:

Authorize the Director of Health Services, or his designee, to execute an Agreement, substantially similar to Exhibit I, with File Keepers, LLC (File Keepers), effective upon Board approval through February 29, 2012, for the provision of off-site storage and retrieval services for various Department of Health Services' (DHS) and Department of Public Health (DPH) facilities, and delegate authority to the Director to add or delete other DHS or DPH sites/facilities and increase the maximum obligation by 25% above the annual maximum obligation.

FUNDING:

DHS:

The maximum obligation to DHS for the period effective date of Board approval through February 29, 2008 is \$1,762,300, of which \$352,460 is for potential increases under delegated authority. The total estimated annual cost for off-site storage and retrieval services by facility/program are: 1) Harbor/UCLA Medical Center (Harbor), \$166,840; 2) LAC+USC Healthcare Network (LAC+USC), \$55,000; 3) Olive View/ UCLA Medical Center (Olive View), \$800,000 for the period effective date of Board approval through February 29, 2008 (and \$200,000 for each 12-month period thereafter through February 29, 2012); 4) Martin Luther King Jr.-Harbor Hospital, \$283,000; 5) Health Services Administration (HSA), \$95,000; and 6) Office of Managed Care (OMC), \$10,000.

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The combined total maximum obligation including increases under delegated authority is \$874,500. Funding for this Agreement is included in the FY 2006-07 Final Budget and will be requested in future years.

PROGRAM:

For a number of years, the County has contracted with a private company to provide off-site storage and retrieval services to various facilities.

SERVICE SITES:

Various DHS and DPH facilities.

CONTRACT PROGRAM AMOUNT:

Effective upon Board approval through February 29, 2008, the estimated cost for off-site storage and retrieval services for DHS is \$1,762,300 and for DPH is \$174,900. Funding is included in DHS' and DPH's respective Fiscal Year 2006-2007 Final Budgets and will be requested in future fiscal years.

TERMINATION PROVISION:

Either party may terminate with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the other.

FACT SHEET (Cont'd)

TERM OF CONTRACT:

Upon Board approval through February 29, 2012.

AUTOMATIC RENEWAL:

Not applicable.

FIRST BOARD APPROVED CONTRACT:

September 7, 1999.

CONTRACT EXPIRATION:

February 29, 2012.

RETROACTIVITY:

Not applicable.

INVITATION FOR BIDS (IFB) PROCESS:

On September 18, 2006, DHS released an Invitation For Bids for the provision of off-site storage and retrieval services. By the October 16, 2006 submission deadline, DHS received bids from File Keepers and Iron Mountain. File Keepers submitted the lowest bid.

SOLE SOURCE JUSTIFICATION:

Not applicable.

LOS ANGELES COUNTY ONLINE WEB SITE:

The Department advertised the IFB on the Los Angeles County Website, and in the local newspapers.

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